

August 22, 2001

Richard Sprott, Director
Division of Air Quality
Department of Environmental Quality
P.O. Box 144820
Salt Lake City, UT 84114-4820

Attention: Milka Radulovic

Dear Director Sprott,

IPSC NOTICE OF INTENT: BACT Resubmittal and Corrections

On April 4, 2001, Intermountain Power Service Corporation (IPSC) submitted a Notice of Intent (NOI) to modify the Intermountain Generating Station (IGS) in Delta, Utah. IPSC has been submitting other information as requested for the NOI, including corrections, additional details, and a Best Available Control Technology (BACT) analysis. As a result of our discussions with Division of Air Quality staff, we feel it is necessary to provide further clarifications to both our NOI and the BACT analysis. In fact, the attached BACT is a re-transmittal with substantive changes that more clearly outline and support our recommendations.

NOTICE of INTENT DISCUSSIONS

BACT

IPSC is proposing to make modifications to Unit One and Two at IGS that will ultimately increase capacity. The modification that will directly impact emissions is increased fuel use. Other modifications are being made to increase the efficiency in energy conversion and power delivery. Because of the impact of increased fuel throughput, IPSC is also proposing to make modifications to keep this uprate project minor for criteria pollutants.

Specifically, in order to prevent an increase in NOx, we are proposing to either modify how we combust coal, or install new technology low-NOx burners. Currently, IPSC is leaning toward combustion modification as the most cost effective method of NOx controls. Since IGS already has low-NOx burners installed, a permit change modifying the current NOx emission limit should be sufficient for BACT for this type of project. The DAQ has the authority, and as described in it's own guidance policy, the

ability to agree with this determination. IPSC is providing herewith a revised BACT analysis with stronger supporting arguments.

Minor Modification vs. Major Modification

IPSC has previously addressed potential emission impacts that can result from the proposed uprate project. In particular, we have determined that with the proposed increase in fuel use combined with modifying combustion and scrubber operation, increases in those pollutants listed at R307-101-2 under "Significant", paragraphs (1) and (2)(a) are less than the thresholds shown. Accordingly, this project is a minor modification for those pollutants.

However, at R307-101-2, "Significant" paragraph (2)(b), the definition indicates that any increase for unlisted regulated pollutants is considered significant. IPSC provided an emission analysis that calculated possible increases in those unlisted pollutants against TLVs for those pollutants. This should satisfy the requirement at R307-405-6(2)(a)(i). Further, monitoring is exempted for this type of projects based upon the provisions found at R307-405-6(6).

Completion

We appreciate the efforts of your staff in working with us. We assume that sufficient information has been provided to complete the process of issuing an AO. However, IPSC will continue to clarify questions and issues as requested to ensure the approval process proceeds smoothly. If, for some reason your office foresees any problem that could delay the issuance of an approval order, please contact us as soon as possible.

If your or any one of you staff have any questions, please contact Mr. Dennis Killian, Superintendent of Technical Services, and 435-864-4414, or dennis-k@ipsc.com.

Cordially,

S. Gale Chapman
President and Chief Operating Officer

RJC/BP/jg

Enclosure

cc: Blaine Ipson, IPSC
Reed Searle, IPA

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Mike Nosanov, LADWP